

# RECORD OF PROCEEDINGS

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## MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE FALCON HIGHLANDS METROPOLITAN DISTRICT

Held August 13, 2018 at Falcon Fire Station No. 3, 7030 Old Meridian Road, Peyton, CO 80831 at 5:30 p.m.

Attendance The regular meeting of the Board of Directors of the Falcon Highlands Metropolitan District was called and held as shown above in accordance with the statutes of the State of Colorado. The following Directors, having confirmed their qualifications to serve on the Board, were in attendance:

Tonia Joyner, President  
Kevin Haas, Treasurer  
Tim Dickey, Secretary

Others in attendance:

Josh Miller, Chelsea Gondeck & Carrie Bartow; CliftonLarsonAllen LLP  
Jeffrey Erb & Barbara T. Vander Wall; Seter & Vander Wall, P.C.  
Karl Heil; Ramey Environmental Compliance, Inc.

Call to Order Director Haas noted that a quorum of the Board was present and called the regular meeting of the Board of Directors of the Falcon Highlands Metropolitan District to order at 5:30 p.m.

Approval of Agenda Upon a motion duly made by Director Haas, seconded by Director Joyner and, upon vote, unanimously carried, the Board approved the agenda, as presented.

- Consent Agenda
- A. Consider Approval of June 11, 2018 Regular Meeting Minutes
  - B. Review and Consider Approval of June 30, 2018 Unaudited Financial Statements
  - C. Review and Consider Approval of Current Claims

After discussion, upon a motion duly made by Director Haas, seconded by Director Joyner and, upon vote, unanimously carried, the Board approved the Consent Agenda, as presented.

# RECORD OF PROCEEDINGS

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Ramey  
Environmental  
Compliance  
Recommendations

Mr. Miller presented the Board with two post packet items: recommendations from Ramey Environmental Compliance, Inc. and a quote for an Operations Assessment from Kennedy Jenks Consultants.

Mr. Heil introduced himself to the Board and reviewed the two recent issues with the water operations. Mr. Heil noted that the first issue in July 2018 was caused by a surge protector failing, which resulted in a loss of pressure in the water distribution system, requiring the issuance of a boil order. Mr. Heil noted that the second issue in August 2018 was caused by a communication malfunction between the tank and the water treatment plant. Mr. Heil noted that a boil advisory was not required for the August 2018 issue due to the minor nature of the issue.

Mr. Miller reviewed the issues with the Board and noted that he recommends pursuing Ramey Environmental Compliance, Inc.'s proposal for system improvements.

Mr. Heil presented the proposal to the Board, which includes installing back-up systems and updating the operating software. Director Dickey inquired on the timeframe to implement the recommendations and Mr. Heil stated it would take approximately 60 days.

Following discussion, upon a motion duly made by Director Haas, seconded by Director Dickey and, upon vote, unanimously carried, the Board approved the recommendations from Ramey Environmental Compliance, Inc. in an amount not to exceed \$50,000.

Director Haas and Mr. Miller noted the excellent work done by Charles Hamilton's during the water plant operations issues.

[\*At this time, Mr. Heil departed]

Community  
Comments

None.

Manager Matters

A. Manager Report

Mr. Miller reviewed the Manager Report and advised the Board on future GOCO opportunities. Discussion

# RECORD OF PROCEEDINGS

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## B. Park Landscaping Enhancement and Maintenance Proposals

Mr. Miller reviewed the park proposals and recommended that the Board table the proposals in light of water operation costs and the current time of year. Mr. Miller noted that the proposals will be utilized to draft the 2019 budget. The Board tabled the proposals.

## C. Update on Appraisal

Mr. Miller updated the Board on the appraisals of District property in connection to the Hwy 24 expansion project and eminent domain proceeding initialed by El Paso County. The total appraisal amounts for two parcels is approx. \$336,000. He has not heard anything further from El Paso County since providing the appraisals.

### Engineering Matters

#### A. Water Engineer Report

Mr. Miller presented the report and noted that he has asked Kennedy Jenks to shorten and simplify its report to the Board. Mr. Miller noted that in order to address cost concerns, engineering will no longer attend Board meetings unless asked and that if the Board has any questions about the report, Mr. Miller will follow-up and report back to the Board.

#### B. Other

Director Joyner inquired about a password issue with the SCADA system. Mr. Miller stated that he has asked Mr. Dodd to further explore the issue and follow-up.

Director Haas requested that the charts in the engineering report be presented on a less frequent basis.

### Financial Matters

#### A. Other

Ms. Bartow stated that the 2017 Audit approved at the last meeting has been filed and that the upcoming 2019 Budget will be presented to the Board no later than October 15.

# RECORD OF PROCEEDINGS

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Legal Matters

A. Legal Report

Ms. Vander Wall presented the legal report to the Board. The Board discussed the Rolling Thunder Business Park Owner Association and detention pond.

Ms. Vander Wall also discussed the proposed water easement and vacation of easement for the Les Schwab project in Meridian Crossing with the Board.

Following discussion, upon a motion duly made by Director Joyner, seconded by Director Haas and, upon vote, unanimously carried, the Board approved the easement conveyance agreement, and vacation of easement agreement, subject to engineering and legal review and approval, and authorized execution of documents by the District Manager.

B. Review and Consider Approval of a Resolution Regarding District Operations and Manager Authority

Mr. Erb presented a resolution regarding the scope of District Manager authority to make decisions related to District business items between meetings. Following discussion, upon a motion duly made by Director Joyner, seconded by Director Haas and, upon vote, unanimously carried, the Board approved the Resolution.

C. Bond Refinance Status

Ms. Vander Wall reviewed the history leading to the November 2017 election to approve the borrowing of additional funds for a water project. The question did not pass. . Mr. Erb reviewed the District's outstanding debt, challenges to refinancing, and potential next steps.

The Board discussed the possibility of Director Haas consolidating services with another water district. Ms. Vander Wall advised that she has previously discussed this option with Woodmen Hills. Ms. Bartow reviewed the debt payment obligations of the District and how these may impact the ability of the District to transfer water service responsibilities.

Director Dickey requested that legal counsel explore the opportunity to refinance the District's debt at a lower interest rate without borrowing additional funds and that the District explore options for development of Filing No. 3 with Challenger Homes.

## RECORD OF PROCEEDINGS

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D. Other

Ms. Vander Wall discussed new legislation on consumer data privacy protection that applies to the District, noting that she hopes a model resolution will be prepared by the Special District Association or the Colorado Municipal League that can be adopted by the Board at a later date.

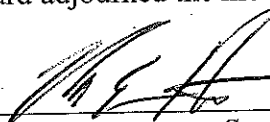
Director Items      None.

Other Business      A. Set Next Board Meeting – Monday, September 10<sup>th</sup>, 2018 at 5:30 p.m.

A quorum for Monday, September 10<sup>th</sup>, 2018 was confirmed.

Adjournment

Upon a motion duly made by Director Haas, Seconded by Director Joyner and, unanimous vote, the Board adjourned the meeting at 7:31 p.m.



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Secretary of Meeting